DECLASSIFIED AV 4 IT-US

Department of State **TELEGRAM**

LIMITED OFFICIAL USE 460

PAGE 01 ROME 10109 191903Z

47
ACTION EUR 20

INFO CAB 09,CIAE 00,COM 08,DODE 00,DOT 12,E 15,INR 07,NSAE 00,RSC 01,
SS 20,L 03,H 02,NSC 10,RSR 01,/108 W

P 191810Z DEC 68
FM AMEMBASSY ROME
TO SECSTATE WASHDC PRIORITY 9242
INFO AMEMBASSY PARIS PRIORITY

LIMITED OFFICIAL USE ROME 10109

SUBJ: US-ITALIAN CIVAIR TALKS

REF: STATE 288516 AV 4 IT-US

089256
DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 25 MAY 1982
RDS☐or XDS☐EXT. DATE _____
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☐
FOI EXEMPTIONS _____

12/19/68

1. EMBOFFS CALLED TO FOREIGN OFFICE LAST NIGHT AND HANDED PRO-MEMORIA CONCERNING GRAVE PREOCCUPATION OF ITALIANS CONCERNING LACK OF PROGRESS IN NEGOTIATIONS. PRO-MEMORIA RECALLS THE LONG PRE-NEGOTIATIONS AT THE DIPLOMATIC LEVEL AND NOTES THAT SOME OF THE BASIC POINTS UPON WHICH AGREEMENT HAD BEEN REACHED HAVE BEEN COMPLETELY SUBVERTED BY NEW AND UNEXPECTED US PROPOSALS. ITALIANS RECALL THAT THEY HAVE RENOUNCED AROUND-THE-WORLD REQUEST, WHICH THEY STILL CONSIDER FULLY JUSTIFIED ON AN ECONOMIC BASIS, IN INTEREST OF GETTING NEGOTIATIONS STARTED. THEY ALSO SUGGESTED POSTPONING DISCUSSION OF SEVERAL OTHER POINTS ON WHICH ACCORD COULD NOT BE EASILY REACHED AT PRESENT TIME.

2. MAIN CAUSES OF ITALIAN WORRY AT PRESENT ARE (A) ABSOLUTE AMERICAN INTRANSIGENCE AND INELASTICITY CONCERNING THE ONLY TWO POINTS WHICH, FOLLOWING THE PRELIMINARY NEGOTIATION, REMAINED STILL UNSOLVED AND WHICH WERE TO FORM THE OBJECTS OF DISCUSSION, I.E. ALL CARGO SERVICES AND THE US REQUEST FOR POINTS IN THE FAR EAST; (B) THE US HAS INTRODUCED UNEXPECTED NEW REQUESTS CONTRARY TO WHAT WAS ALREADY AGREED. MOST IMPORTANT OF THESE IS THE INSERTION OF A FOURTH AMERICAN CARRIER ON THE ITALIAN ROUTES AND THE ADDITION OF THREE MORE POINTS IN ITALY FOR CARGO SERVICE. THESE REQUESTS ARE OBVIOUSLY COMPLETELY UNACCEPTABLE SINCE THEY

DECLASSIFIED

Department of State TELEGRAM

LIMITED OFFICIAL USE

PAGE 02 ROME 10109 191903Z

WOULD RESULT IN A SUBSTANTIAL DIMINUTION OF THE VALUE OF THE NEW ROUTES WHICH HAD INDUCED THE ITALIAN GOVERNMENT TO RENOUNCE ITS TRANS-PACIFIC REQUEST.

3. PRO-MEMORIA CONTINUES: "AN INSISTENCE ON THE PART OF THE US ON THE MATTERS DISCUSSED ABOVE, PARTICULARLY IN VIEW OF THE CONTINUED PROCESS OF ITALIAN COMPROMISE IN APPROACHING THE US POSITION, AND THE ITALIAN WILLINGNESS, MADE EVIDENT IN ITS DIFFICULT RENUNCIATION OF THE TRANS-PACIFIC ROUTE, CANNOT BUT LEAD TO FURTHER INTERRUPTION IN THE NEGOTIATIONS.

4. IT SEEMS SUPERFLUOUS TO EMPHASIZE THAT IN SUCH CIRCUMSTANCES THE COMPETENT UCALIAN AUTHORITIES WOULD HAVE NO ALTERNATIVE BUT TO PUT INTO EFFECT IN ALL ITS IMPLICATIONS PROVISIONAL ARRANGEMENT (NOT REGULATED BY AN AGREEMENT) UPON WHICH PRESENT-- AIR SERVICES ARE UNFORTUNATELY BASED."

5. IN ORAL DISCUSSION, GUAZZARONI MADE PLAIN THAT INTRODUCTION OF NEW US CARRIER ON DALLAS-ATLANTA-ROME ROUTE WOULD DESTROY ALL ALITALIA CALCULATIONS ON BASIS OF WHICH FOREIGN OFFICE HAD BEEN ABLE TO PERSUADE ALITALIA TO GIVE UP AROUND-THE-WORLD REQUEST. DURING RECENT TALKS HERE, ITALIAN MINUTES SHOW US DELEGATION SPECIFICALLY STATED WE HAD NO INTENTION TO ADD A FOURTH CARRIER.

6. BELIEVE ITALIAN RESENTMENT IS QUITE GENUINE AND THAT THEY FEEL THE US HAS DRAGGED IN A NUMBER OF NEW ISSUES AND THAT TALKS MAY BE CLOSE TO BREAKDOWN. FONOFF FEELS MOST UNCOMFORTABLE BECAUSE THEY HAVE RESORTED TO ARM-TWISTING OF CIVILAVIA AND ALITALIA AND NOW CONSIDER THEMSELVES VULNERABLE TO REPROACH. THEY ARE THEREFORE LIKELY TO BACK UP ANY STRONG LINE SUGGESTED BY CIVILAVIA INCLUDING, IF NO AGREEMENT REACHED, TERMINATION OF BEYONDS. EMBOFFS RESPONDED MERELY THAT PRO-MEMORIA WOULD BE TRANSMITTED TO WASHINGTON AND THAT WE WERE SURPRISED AT TONE OF CONTENTS SINCE OUR LAST MESSAGE FROM WASHINGTON THAT INDICATED TALKS WERE PROCEEDING SATISFACTORILY. PRO-MEMORIA TEXT BEING POUCHED.

ACKLEY

LIMITED OFFICIAL USE

23